

SENATE GENERAL WELFARE COMMITTEE AMENDMENT 1

Amendment No. 1 to SB2458

Ford
Signature of Sponsor

AMEND Senate Bill No. 2458*

House Bill No. 3450

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

by deleting all language of the bill following the enacting clause in its entirety and replacing it with the following new language:

SECTION 1. Tennessee Code Annotated, Title 68, Chapter 11, Part 16, is amended by adding the following as a new appropriately designated section:

68-11-16__.

(a) A replacement facility application is any application or a pair of applications that proposes to replace one or more currently licensed nursing homes with either another single licensed nursing home, or with two (2) licensed nursing homes as provided in subsection (d). No later than ninety (90) days after the licensing of the new replacement facility or facilities, the building or buildings being replaced must cease operation as a nursing facility.

(b) Any replacement facility application or portion of a replacement facility application that does not increase the number of licensed beds over the number of beds in the existing facility or facilities being replaced shall be exempt from the criteria of §§ 68-11-1621 and 68-11-1622. Applications for such a replacement nursing home shall be reviewed by the department and considered by the agency pursuant to the criteria in § 68-11-1609. In reviewing the application, the agency shall give preference to projects that propose replacement facilities because of building or life safety standard issues.

(c) If a replacement facility application seeks to increase the number of licensed beds over the number of beds in the existing facility or facilities being replaced, that portion of the application that increases the number of beds must comply with the provisions of § 68-11-1622. The remaining part of the application relative to the replacement of the facility or facilities shall be exempt from the criteria of §§ 68-11-1621 and 68-11-1622 and shall be reviewed by the department and considered by the agency

pursuant to the criteria in § 68-11-1609. In reviewing the application, the agency shall give preference to projects that propose replacement facilities because of building or life safety standard issues.

(d) The agency may only approve a replacement facility application or applications that propose to replace one (1) currently licensed nursing home with two (2) licensed nursing homes if:

(1) One (1) of the proposed replacement facilities will be located on the same site as the nursing home sought to be replaced, and both proposed replacement facilities will be located in the same county as the nursing home sought to be replaced;

(2) The two (2) proposed replacement facilities will not cumulatively have more licensed beds than the total number of licensed beds of the nursing home sought to be replaced. In such event, the beds of the proposed replacement facilities shall be exempt from the criteria of §§ 68-11-1621 and 68-11-1622 and not considered "new nursing home beds", but shall be considered by the agency pursuant to the criteria in § 68-11-1609;

(3) The nursing home building sought to be replaced is not fully equipped with a fire suppression sprinkler system, installation of such sprinklers and renovation and/or replacement of the entire facility on its current site would require the displacement or transfer of current patients, and the two (2) proposed replacement facilities will be fully equipped with fire suppression sprinklers;

(4) The two (2) proposed replacement facilities are proposed to be completed and licensed within twelve (12) months of each other; and

(5) The two (2) proposed replacement facilities are to be initially licensed to the same owner as the nursing home sought to be replaced.

(e) In considering any replacement facility application under subsection (d), the agency shall vote separately on each of the proposals to replace or construct each of the proposed new separately licensed facilities. The provisions of this act shall apply to any

replacement facility application or applications meeting the requirements of subsection (d), where one partial replacement facility application was filed prior to the effective date of this act, and the other application is filed after the effective date of this act.

(f) The capital cost incurred in establishing a replacement facility at a new location under subsection (d) shall not be taken into account in the determination of the state-wide cost cap for Medicaid reimbursement for nursing home beds.

SECTION 2. Nothing in this act shall be construed to prevent the agency from approving a certificate of need filed prior to the effective date of this act.

SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it.